

Administration of Joseph R. Biden, Jr., 2023

Message to the House of Representatives Returning Without Approval Legislation Regarding Congressional Disapproval of the Department of Labor's Final Rule on Prudence and Loyalty in Selecting Plan Investments and Exercising Shareholder Rights

March 20, 2023

To the House of Representatives:

I am returning herewith without my approval H.J. Res. 30, a resolution that would disapprove of the Department of Labor's final rule titled "Prudence and Loyalty in Selecting Plan Investments and Exercising Shareholder Rights."

The Department of Labor's final rule protects the hard-earned life savings and pensions of tens of millions of workers and retirees across the country. It allows retirement plan fiduciaries to make fully informed investment decisions by considering all relevant factors that might impact a prospective investment, while ensuring that investment decisions made by retirement plan fiduciaries maximize financial returns for retirees.

There is extensive evidence showing that environmental, social, and governance factors can have a material impact on markets, industries, and businesses. But the Republican-led resolution would force retirement managers to ignore these relevant risk factors, disregarding the principles of free markets and jeopardizing the life savings of working families and retirees. In fact, this resolution would prevent retirement plan fiduciaries from taking into account factors, such as the physical risks of climate change and poor corporate governance, that could affect investment returns.

Retirement plan fiduciaries should be able to consider any factor that maximizes financial returns for retirees across the country. That is not controversial—that is common sense.

Therefore, I am vetoing this resolution.

JOSEPH R. BIDEN JR.

The White House,
March 20, 2023.

NOTE: An original was not available for verification of the content of this message.

Categories: Bill Signings and Vetoes : Department of Labor's "Prudence and Loyalty in Selecting Plan Investments and Exercising Shareholder Rights" final rule, legislation regarding congressional disapproval, veto message.

Subjects: Climate change; Department of Labor's "Prudence and Loyalty in Selecting Plan Investments and Exercising Shareholder Rights" final rule, legislation regarding congressional disapproval; Financial advisers, fiduciary responsibility; Retirement planning.

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